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Industrial organization

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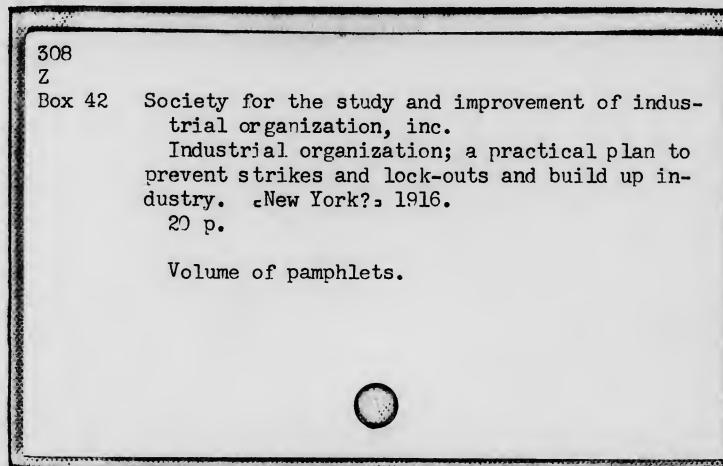
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Industrial Organization

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A Practical Plan
To Prevent
Strikes and Lock-outs
and
Build Up Industry



Published by the
Society for the Study and Improvement
of Industrial Organization, Inc.

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Industrial Organization

A
Practical Plan
To Prevent
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and Build Up
Industry



PUBLISHED BY THE
Society for the Study and Improvement
of Industrial Organization, Inc.

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FOREWORD

HE following pages on the attitude in industry are dedicated to the public: to the leaders in industry; to the master workers; to those who think and to those who toil.

Industry needs readjustment. The plan proposed in these pages shows the way.

As a manufacturer who gained wisdom thru industrial bumps, the idea of a democratically elected commission to be at the head of a unified industry, appeals with its full force of reason.

We have been going along the industrial highway without direction, without purpose, without regard for the rights of interdependent industries.

Industry to be intelligently developed requires organization.

The plan of industrial organization will bring about a reasonable attitude and will make for true progress, prosperity and national preparedness.

S. A. SCHNEIDER.

THE ATTITUDE OF GOVERNOR WHITMAN

STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY

June 2nd, 1916.

MR. E. B. GOODMAN, *Secretary*,
Society for the Study and Improvement of
Industrial Organization, Inc.,
157 West 64th Street,
New York City.

DEAR SIR:—I write to acknowledge receipt of your letter of May 27th in regard to a plan for Industrial Organization and the attitude of the Employers' Association and the Garment Workers' Union, in the cloak, suit and skirt industry in the City of New York.

I have referred the matter to the Hon. John Mitchell, Chairman of the State Industrial Commission, with a request that the Commission take the matter up immediately.

Very truly yours,



The Attitude in Industry

The Lockout and Strike in the Coat and Suit Industry

*

SOME OBSERVATIONS



HE WORKER seeks every method to get better wages. The employer schemes in every way to make profits. The employer does not know what the worker is doing outside the place of employment, and the employe does not know what competition and problems his employer must meet. Neither really knows the other, and each makes a good or bad guess about the other. Opinions and not facts sway.

The employer feels he ought to run his own plant to suit himself, and the employe feels that he ought to determine under what conditions he should work. Each knowing the power of organization and mass effort, does the thing that suits each. One organizes a union of workers and the other organizes an association of manufacturers.

Individual contention is displaced by organized warfare, and sniping by each is practised as part of the general scheme. One countenances individual shop strikes and the other countenances discharge for union activity. This is kept up until there is a mass lockout or a general strike. The parties then view each other from opposing lines of embattlement and the public, guilty of neglect, suffers all the consequences which their unorganized condition permits.

Tactics

In order to point the finger of accusation against the other side, the contenders play for position. If the Mayor calls them together to halt their warfare, one side or the other side, depending upon the momentary strength of either, makes a bull of the situation and the other gains momentary prestige. Reason and fair play have no chance with either under their present status. They are organized to oppose each other. They are not organized to assist the other.

Time of Strike or Lockout

The strike is effective when there is work to be done. When the employer has contracts to meet, he is in the position to be forced to yield to demands of the worker. The lockout is effective when there is scarcity of work. When labor seeks employment, the employer can get the benefit of competition in labor. The need for work to be turned out in the first instance and the need for immediate wages in the second instance are utilized by both organizations.

The public is in between, paying the consequences. In one case the public pays higher prices for its goods, in the other case it has a smaller purchasing power.

When the association wins, a humbled and downcast army of workers files back to work. When the union wins, a triumphant invading army takes possession of the shops where the sting of defeat is ever present and reprisals are sure to follow. In the latter case discharges follow as acts of revenge; in the former case new schemes are in hatching for a successful strike. Co-operation never exists.

The Public Pays

The public pays for the victories and the defeats of both. Should higher wages be demanded and won, the added cost comes from the public. The profits of the manufacturer and his ability to meet his obligations determine his continuance in the industry, and unless there are profits, manufacturing is discontinued. Although both sides know that the public pays the piper, neither is willing to permit the public to be represented. The opposing sides work in secret, as opposing sides seeking advantage against the other usually work. To have the public interfere when the plans of each are all worked out for the struggle which each feels will bring victory is considered an affront.

The weaker looks for sympathy and support, and the stronger asks to be let alone to settle the dispute. One is as vicious as the other and the two are as equally good. They are both, however, against the public. Each is for itself.

The Unreasonable Attitude

This is the unreasonable attitude to-day in the Coat and Suit Industry in the City of New York. It is applicable, of course, to the other allied industries in the city, commonly designated as the needle industry.

Protocol

Protocol is diplomacy. Diplomacy is effective only between sovereign states and not dependents. The Protocol is fatally defective in the needle industry in the City of New York, because diplomacy is offered instead of fact. The standard of price should not be established without reference to the nature of the work. The worker and the manufacturer are dependent and not sovereign. Diplomacy between them is out of place and is doomed to failure. Economic conditions may be such that the two can exist in a state of apparent peace under a system of protocol agreements. But economic conditions cannot be measured under the standard of diplomacy.

Is There No Solution?

Is there no solution? It would be a sad commentary upon our theory of social justice if a solution were not found. There must be a solution and it is found in the statement of the attitude of the worker and employer.

Their unreasonable attitude is the direct cause of all the trouble. Change this attitude and you have the solution. How can this attitude be changed?

Organization Is Necessary

Let there be organization, by all means. Organization is absolutely necessary in the industrial era. But, instead of paying attention to the advantage which either side may be able to gain at the expense of the other, and the public to pay one side for the advantage so gained, let there be an advantage which accrues to both; not against the public, but for the public.

The Medium

Let the factors be organized industrially. The maintenance of the industry should be the advantage sought. The rights of the factors that build up and maintain the industry should be conserved by representatives of each. The representative of the worker, the representative of the employer, and the representative of the public should be grouped in one body.

WANTS OF THE WORKER, EMPLOYER AND THE PUBLIC

The worker wants to get as much as he can, the employer wants to make as much as opportunity affords, and the public wants to pay as little to both as possible.

The Pendulum in Industry

In the beginning of industry, the employer was all-powerful. He had behind him resources of wealth, position, and government. All rights were centered in him, and any attack upon his rights was met with the strong arm of the government as his defender. The history of industrial growth in England, where modern industry had its birth in the power loom, is a story in legislation of Parliament to protect the manufacturer, and the courts were given and assumed the great power of injunction to deal with the many forms of dispute between employer and employee.

Oppression in any form breeds revolt. Industrial oppression gave birth to the revolt of workers. Their revolt took the concrete form of labor union. In the beginning of this movement the law declared that when two or more workers got together for the purpose of making a demand upon the employer, or when two or more workers agreed among themselves not to work for an employer, that such act was a conspiracy, an act of outlawry, and punishable as such. The statutory labor crimes furnish the mile-posts on the road of labor struggle. The labor union was the only weapon of the worker to combat the state and the employer. He was not a friend at court.

There was no compulsory education law in England

when the industrial age was ushered in. The worker was for the most part unalphabetized. He had no voice in government. Where his suffering could not find utterance in words, it found expression in acts of violence. He did what his mental and moral make-up incited him to do. If law and order were violated, it was because industrial justice was non-existing for him.

Since that period, the great industrial revolution made it possible for nations to develop resources to such an extent that one year's product in any civilized country now is of greater value than all combined products for a decade before the advent of steam. With this power of production came the betterment of the lot of the worker. The thing that made this possible was the object, at first, of the worker's violence, and moved him to attempt its destruction.

The employer was the man of industry. He demanded recognition from government, not for his industry but for himself, and he utilized the power of wealth and mass action to acquire governmental rights. This brought into government a new element, and it was not long before the evolution brought about the recognition of other than mere title and property rights. Human rights had to be recognized.

With this right recognized, the labor union became an aggressive force. The right to participate in government gave each qualified worker the right of selection and rejection, and the government became interested in him. The laws designed against the employer were expressly made not to affect the employee. The sudden power fell into the hands of untrained leaders who were able to keep in check neither themselves nor those whom they led, and a period of oppression followed which is still fresh in the minds of men to-day. Where power is misused, there the head of the Medusa of revolt is bound to appear.

Experience by the Coat and Suit Industry

Organization in the coat and suit industry in the City of New York has run the gamut of experience in a few years. "Which shall it be?" is the challenge to-day by the Manufacturers' Association. "Which shall it be?" is the challenge of the International Garment Union. "What may I do?" is the helpless offer of the Mayor of the City of New York, representing the public.

The Position of the Public

A word for the unorganized public will not be out of place. The public is interested in the well-being of the industries by which the population makes its livelihood.

As a seaport New York may maintain a large, very large population, but not the 5,000,000 living within its confines. Without the industries New York would not be the metropolis of America.

Causes of Strikes in the Needle Industry

The bad conditions in Europe between 1880 and 1890 caused such heavy emigration from that continent that the

labor market in this country was violently disturbed. The era of strikes in the needle industry in New York dates from that time. The sweat shop was introduced and this drained the life-blood of thousands who knew not where to turn for relief. The employers took advantage of the situation and of the ignorance of the worker. The worker was unskilled. Some of the workers had come from England, where trade unionism had reached a high state of development, and these started the leavening struggle for better conditions.

The Genius of American Institutions Aids Human Rights

The genius of American institutions gave impetus to the demands for better conditions and victories were scored. But these victories were misunderstood. The employer thought that he was being deprived of the right to run his plant and the worker thought that work was subordinate to union demands. Since 1892 this struggle has been going on with more or less violence and high-handed action on the part of both, and the unorganized public suffered from the acts of both.

Interdependence of Industries

The prosperity of one industry tends to help another industry on the way to prosperity, and the failure of one industry is bound to curtail the prosperity of another. It requires no extended statement that a lockout or a strike in an industry in which 50,000 persons make their livelihood and depend upon the earnings in the industry for their support affects the prosperity of other businesses in the city. The public is interested in the prosperity of the industries. It may have to feed the hungry, made so by the inability to work at the trade through the lockout or strike. It may have to pay the bill for the financial losses sustained in failures due to lack of earnings.

The Helplessness of the Public to Avert Social Suicide

What is it then that makes the public helpless to avert a condition of social suicide—which a strike or lockout surely is—and gives it no power to impose a penalty?

What the Public Wants

Evidently the public wants more than mere price. It wants work to go on in the industries. It wants the worker to earn wages—good wages—and it wants the manufacturer to be a successful business man. The public benefits from the prosperity of each.

Is there no way to have the wants of each satisfied without suicide? Has reason no place in the industry?

The public must be organized to have its wants respected. What the public wants is an organization that can stand the full light of publicity.

IN THE LIGHT OF REASON—OPPOSITE FORCES CONTROLLED

In government, set up by man, two forces control: autocracy and democracy.

In industry two opposite forces move: man and machine. Man set up this force of machine to aid his hand. He multiplied his fingers by inventing machinery. He used dumb animal power and then multiplied horsepower in discovering and applying the forces of steam and electricity.

Industry breeds a mighty race of human beings in a small space. Industry makes the mass dependent and the man independent. It is a wonderful thing that the gathering of independents should result in the formation of Dependent Society.

Reason discovered these rules. Reason formulates the rule of action. If reason deciphers the unwritten universal laws, why should it not be used in deciphering the industrial problems?

Law Is Necessary

Law is required to keep human activity from destroying humanity. War and peace are nature's manifestations of the duality of the struggle for existence. Has reason no place in determining the human course of action?

The Needle Industry

The needle made it possible for the human being to piece together the things to wear. The needle is still needed to make man's clothing. The use of the needle is known, because reason had studied it. Why cannot the human hand that directs the needle's course be studied?

Economists have studied production and distribution, and have laid down the rule of supply and demand. Sociologists have studied population and its distribution and have announced the law of society. Industrialists should study industry in the same way and announce the law of industry.

The Power of Reason

In the light of reason, industrial ignorance will be dispelled. What is needed? The application of reason to industry, to discover the law governing the unit of action.

Industry as a City Study

Industry concerns the city problem in its intensest form. Cities cannot long exist without industry, concentrated and rationally directed. New York's Five Million require the same attention that the Armies of France require; the same attention and study that the Armies of Germany received.

An industry in action is creative: in inaction, destructive. Human agencies can be controlled by the force of reason. The two forces in industry, unless controlled by reason, tend to destroy each other.

The employer must be educated to use his power

rationally. The worker must be trained to appreciate his power. The public must be willing to pay for this education.

Mass action requires careful, constant mass study and training. Training conserves the forces. Industrial training, study in industry, and correlation of the industrial forces is the highest duty of the City Government.

Theory of Government Applied to Industry

The government is based upon the theory of democracy and is practised by representation. As the government, so is the industry under its protection. Industrial democracy is the ideal force. The practical work is to be carried out through representation.

The genius of American institutions requires that the republican form of government be preserved, if the ideals of democracy shall live.

The struggle between democracy and autocracy is still going on and the issue is to be decided industrially.

Let there be the application of reason to industrial organization. The form of government must be based upon the theory of democracy effectually practised through representation.

The Union born out of oppression must be utilized to develop the requirements of social justice. The Association developed as a defense to aggrandizement must be utilized to make effective and efficient the product of industry. The public must be so organized that its power may be concentrated to direct the forces to the end that the industrial orbit takes definite motion.

All nature is in motion. Man rests in motion. Man ceases in suicide. Industry ceases, and that is because of industrial suicide.

There is need of industrial organization controlled by reason. The form of industrial organization shall be based upon the form of government. System shall displace chaos.

Let the thought of the people be directed to the solution of the industrial problem and let them study the needs. Reason, that makes for progress of life, will discover the rule to guide industry. Let reason sway the forces of industry which maintain one hundred human beings where otherwise not one could survive the struggle for existence.

Applying the thought to the Coat and Suit Industry in the City of New York, let the industry be organized, utilizing the existing forces. The form of organization shall now be proposed.

The Solution—An Industrial Organization

Any proposal made for the benefit of an industry has two challenges to answer: one from the Union and one from the Association.

The Union asks: "Will the carrying out of the plan wean away the worker from the Union?"

The Association asks: "Is this another Greek gift?"

The challenge of the Union is accepted, and this is the answer:

The object of the Union is to secure the worker against oppression, give him the benefit of collective bargaining, and stand behind his rights. The method of procuring these rights is by getting the worker into an organization and submitting him to control. The greater the number, the more chances for success are the demands likely to meet. The Union seeks to get every worker in an industry under its laws and control.

The Industrial Organization will carry out the aim of the Union. It will bring into one organization all the workers in an industry. That result the Union has been unable or unwilling to attain. Every agreement made with the employer had for its object the creation of the condition whereby this goal may be reached. The assistance of the employer was needed to carry out the plan. The Protocol in the Cloak, Suit and Skirt Industry became null and void when the employers refused to carry out the provision relating to the preferential shop. The interpretation of that term meant the "closed shop," and that means that none other than a member of the Union who is paid up to date in the Union may be employed in the Association shop. The employer must become the collector of the Union. The Association was even willing to do this if the Union had been able to make each shop an Association shop. As the Union was unable to do that, the Association did not find it to advantage to build up the Union at the expense of the Association.

The Industrial Organization provides for everyone making his livelihood out of the industry, and because of this everyone in the industry is entitled to be a member of the organization. Not only the factory hands, but also the office force, the selling force, and the employer are to be members of the Industrial Organization. The aim of the Union to make 100 per cent. members will thus be accomplished.

All the power that the Union seeks to attain as a result of numbers is thus within reach of the Industrial Organization. The right to declare the rule and the right and power to carry out the edict are the highest functions of government. These rights can be exercised with justice by the whole industry. It would be inequitable to give that power to a minority (minority here refers to "rights").

Industrial Peace Must Come Through Industrial Justice

Industrial peace can come only through industrial justice. This was clearly expressed by the Secretary of Labor, Hon. William B. Wilson, in an address on the "Labor Question" before the Illinois Bankers' Association in October, 1915. He there said:

"We want industrial peace, but not that kind that comes as a result of the economic power of the employer exercised against the employees to compel them to accept unfair conditions. We want industrial peace, but not that kind that comes as a result of the

collective power of the employees imposing injustice on employers. We want industrial peace based upon fair play to all parties concerned. We want a permanent industrial peace, but there can be no permanent industrial peace that is not based upon industrial justice."

The Secretary of Labor recognizes that the Labor Question must be answered through industrial justice. Industrial justice must rest upon the judgment of the whole industry. That is the essential difference between autocracy and democracy. Our democracy carried out through representation excludes no one from the equal right in the pursuit of happiness.

Shortcoming of the Union

The failure of the Union as it is composed now is that it does not recognize this right. Its forces are working against the genius of the government, and the two cannot exist vying for supremacy.

Criticism of the Association

What applies as a criticism against the present Union is equally applicable to the present Association.

In answer to the challenge of the Association, attention may be called to the fact that it seeks to develop the industry by the enactment of fair rules to be observed by all employers. This it has been unable to attain, because it has been unable to get under its laws all employers in the industry. This object can be attained only through the industrial organization, with the united public support to enforce the fair conditions.

How to Create the Industrial Organization

Let us now consider how the industrial organization is to be created. All of those now employed in the industry shall be registered in each shop or factory. The employees shall elect delegates to a convention to nominate commissioners of industry. The employers likewise shall elect delegates to a convention of employers. Each convention shall nominate twenty of its members for commissioners of industry. From the nominees of the employees, the employers' convention shall elect one commissioner of industry; and from the nominees of the employers, the employees' convention shall elect one commissioner of industry. The conventions shall request the Governor of the State (or the Mayor of the City, or other public authority) to submit five names for commissioner of industry, and the two elected commissioners shall select the third from the nominees submitted. This commission to be the executive function of the industry.

The joint convention of employers and employees shall adopt a constitution for the industry and clothe the commission with full power necessary to carry out the law of the organization.

Support and Maintenance of the Organization

The industrial organization shall be supported by the dues of the members. The dues shall be on the percentage basis, the employee paying a percentage of the wage, and the employer a percentage of the payroll. The fund so raised to be paid into the organization treasury and to be used to pay the administrative expenses, as well as for the insurance which the needs of the industry may determine after study and investigation, together with other expenses needed to install improvements for the whole industry.

Things Accomplishable Under the Industrial Organization

The experience of industries in other countries will help to answer this practical matter. There the problem received the attention and study of the government, and definite practical results were obtained. Had democracy studied the problem as long, better and more efficient and more beneficial results would have been obtained. But autocracy accomplished something.

In Germany industrial preparedness made it possible to maintain national integrity. Industrial efficiency made it possible to win and maintain world markets. Industrial insurance made it possible to create a stake for the worker, the holding of which is as is his life. Study by industry developed each and co-ordinated all industries for national purposes. German efficiency is a by-word. In Denmark the same results were obtained through organization. St. Gall, in Switzerland, is the efficient center of the embroidery industry of the world through rational organization. England lately followed the methods of continental Europe. Casual labor problems affected the peace of several cities and the prosperity of the industries. Australia and New Zealand long ago gave the Labor problem serious study. Canada took decisive steps to prevent the social suicide, which Henry D. Lloyd applied to the lockout and the strike.

Nothing of this co-ordinated sort is the aim of either Union or Association here. But if the industries were organized and a system provided through which this subject could receive the proper attention and study, and then applied by each industry to its own needs, the chaotic condition of our industries would necessarily disappear. This evidently can be accomplished only through organization and intelligent and concentrated effort. If the cost of one of the great strikes—the Miners' strike of 1902 or the garment strikes since that time—had been applied to study of the problems along scientific lines, there would not now face this great wearing-apparel center a possible stoppage that will probably destroy New York's greatest industry.

The Association raises One Hundred Thousand Dollars a year to exist on peaceful terms with the Union, and to fight it the cost will be One Million Dollars a year. The Union must raise an equal sum to combat the Association, and if it does not it will lose. Why waste this

money on "fight" when it can be used for "feed" and permanent improvement?

An industrial organization makes it possible to provide industrial insurance. Organization permits of a condition of reason and self-restraint. Organization can prevent waste. Through it the attitude of hostility bred by the existence of opposing organizations can be converted and co-operation can be brought into life. Where there is now a feeling that injustice is done, this, through harmonious action, can be converted into industrial justice.

A Temple of Industry

A temple of industry can be reared where the dignity of Labor will have a permanent home. There reason, with the aid of justice, can join in fraternal grasp the hand of the employer and the hand of the employee. The wisdom of the representatives of industry can there determine upon facts the progressive needs of the employee. There the industrial school can efficiently equip each worker. The industry can have a home there, just as Learning has a home in the University, the State in its Capitol.

"The manuscript is extremely interesting. It presents in good order facts that should be put before the public."

A. Brisbane.

"I am greatly interested in the Society you are formulating for solving the Labor problem in this city. I believe there is not another question in this community to-day which is as vital as this one is."

S. Rottenberg.

"The worker wants security in his job. Only the industry can give him that. Hence the industrial organization appeals to the worker."

Rose Mottufsky.

"I shall bring it to the attention of the President, as you request."

J. P. Tumulty.

Industrial Organization

Copyright by Deborah Aaron

The Plan

THE groundwork of the industrial organization is based upon the idea that efficiency requires organization. An industry efficiently to cope for world markets requires organization.

Without detailing the inefficient methods now employed to bring about industrial effectiveness, the plan of the Society for the Study and Improvement of Industrial Organization, Inc., is submitted in the hope that those who labor will find in it the thing they have been striving to reach through their united efforts, and those who invest will find in it a thing that will give security to their capital, and the people, taken as a group forming the State, will find in it that thing which is absolutely essential to their happiness in the march of this industrial age, industrial preparedness and industrial security.

Conjure up the conditions prevailing in any industry and ask yourself what is being done by the employer and the employee in that industry to understand one another. Ask yourself whether there is any organization in any industry which attempts to get the employer and the employee together for the purpose of meeting on an industrial level and think out things for the benefit of each. Ask yourself whether the industry is taking care of the workers and furnishing them with a sinking-fund for the wear and tear of the human machine as an item of the cost of the industrial product. Ask yourself what government machinery exists to prevent the waste due to unnecessary strikes and lockouts. What is your answer?

The plan proposed is an answer to the questions and is offered as an aid to your consideration of the important problem involved.

The plan of industrial organization must have in it every element that makes for stability with the fullest freedom of selection, efficiency with the tenderest care for the weakest, security with the greatest amount of dynamic change possible, preparedness with the least amount of taxes.

Elimination of Waste

In the first place, the elimination of waste now going on in every industry will benefit each one. Organization will bring order into the industries. Waste through duplication, waste through ignorance of the best methods, waste through hostile attitude of employer and employee, and waste through lack of concerted effort will be converted into economic forces for the benefit of the industries.

Experience has demonstrated the necessity of a body that can come to a final decision. The executive function of each industry must be vested in a body composed

of an odd number. The Society proposes a permanent commission representative of the elements involved in every industry. There must be a representative of the employer, there must be a representative of the employee, and there must be a representative of the public.

Commissioners of Industry

The Society suggests the following method of selecting the commissioners of industry:

The employers in the given industry shall nominate men for commissioners of industry and one of those nominated shall be elected by the employees;

The employees shall nominate men for commissioners of industry and one of those nominated shall be elected by the employers;

The governor of the State (or the mayor of the city, etc.) shall nominate men for commissioners of industry, and the two elected by the employers and employees shall elect one of the nominees.

The three commissioners shall be the executive of the industry.

Precedent and Experience

Under agreements between unions and associations, matters in dispute are usually referred to arbitrators, one representing the union, one representing the association, and the two selecting the umpire. In several instances the complaint has been that the third commissioner was unfamiliar with the technique of the trade and hence his deciding opinion did not decide—it was only a guess or compromise. The National Association (American Publishers) and the International Union (Typographical), after trying out the method of one representative of each side, evolved a more complex scheme to handle the disputes under their agreement, with the result that rarely is there need for the umpire who is unfamiliar with the fine points of the printing and publishing industry. Another element need be noticed: this trade is highly skilled and hence highly intelligent.

Under the protocol agreements adopted by several of the larger branches of the needle industry in the City of New York, such as the cloak, suit, and skirt industry, the dress and waist industry, the furriers, etc., the system of arbitration is carried out at such length that the complaint is that there is no immediate decision and that appeals are lost in the haze of memory. Only last summer the mayor of the City of New York appointed a Council of Conciliation, composed of six members entirely outside of the industry, to whom the Garment workers' Union and the Employers' Association submitted the matters in dispute. The council was able to patch up a temporary truce, but it was clear that the decision would not cause the opposing forces to submit. The reason is that the council is not composed of men familiar with the cloak and suit industry, and mere words do not give the employer an efficient worker, nor to the willing worker an efficient shop. Manufacturing is not based upon opinion.

It follows from the experience in the largest single industry in the City of New York and from the experience of the Publishers' Association and the Typographical Union that a final decision can be made only by a permanent and experienced tribunal trained and versed in the industry.

The Plan—Continued

The commissioners of industry shall be compensated, so that they may devote their time and attention to the

business of the industry. They shall appoint deputy commissioners, selected for their fitness and experience in the industry, who shall receive fair compensation, to enable them to devote all their time and attention to the business of the industry. The necessary executive clerks and clerical help shall be at the disposal of the commissioners in order to do the work in hand.

The commissioners shall make a study of the industry, and to that end may employ special investigators and experts. The needs and requirements of the industry shall be carefully canvassed, and the best that had been tried in other countries in the same industries should be tested.

The attention of the commissioners shall be directed to the progressive demands for the betterment of the lot of the worker. Hence all known forms of insurance for the protection of the worker should be studied and the best system proposed to the industry for adoption.

Industrial Labor Bureau

A labor bureau must be maintained. Since the collective bargaining will be vested in the commission, the commission will also be the source of work. The employer will be free to select and free to discharge, so that the best organization may be at the disposal of each employer, and the worker will have the same choice because of the certainty that the supply of positions will equal the demand for labor; casual labor in the industry will be eradicated, because it will be to the interest of employer and employee alike to cater to the efficient and experienced; distribution of work can come only through efficient organization, and continuity of employment is a certain means of keeping up a state of efficiency; the contracts will be uniform for the same kind of work, because there is but one source for the origin of the contract, and the employer will feel assured that another employer will not have an advantage respecting the price of labor; statistics can be gathered accurately because of the organization and a rational rule made with the certainty that it will be respected because it will be based upon facts; schools of instruction will be maintained for the benefit of those seeking advancement in the industry and for the training of apprentices; social and welfare service may be maintained so that all the elements acquaint themselves with the interdependence of each in the industry, and the relationship of man-to-man dealing will be fostered and developed.

Precedent and Experience

The experiences of the British Board of Trade, the German trade unions, the Danish trade unions, and the history of the trade-union movement in the United States all point in the same direction.

The United States Steel Corporation introduced a system peculiarly adaptable to its own industry, and workers share in the prosperity of that great industry through share allotment payable upon certain terms, and the company provides at its own expense safety-first appliances and welfare features.

Germany was the first nation to introduce the system of in-

surances for the benefit of the workers and the industry pays the insurance expense. Not only the factory worker, but also the farmhand is protected by insurance.

Denmark contributes from one-third to one-half the expense of the insurance.

Savings-bank insurance is now tried out in Massachusetts. These insurances are in addition to workmen's compensation for injuries received in the course of employment.

It is the feeling that the worker will be a better worker and hence a better citizen if he has the guarantee that industrial wear and tear will be cared for in a manner that the dignity of labor deserves.

Only through industrial organization of the right kind can the evils of unemployment and its by-product, casual labor, be checked.

The welfare of New York is dependent upon its industries, and the workers make the industry, with the assistance of capital and good management. Both employer and worker will receive the benefit of the condition of security to labor and investment.

The International Typographical Union maintains school classes for the instruction of union and non-union printers, because it is recognized that only through efficiency of the worker can profits be made by the employer, and profits to the employer mean the ability to pay good wages and give steady employment.

The present associations of employers raise large funds for the avowed purpose of resisting the attacks of the unions. The unions raise large funds in order to make their fight for better labor conditions effective and successful. A great amount is wasted by both.

If the cost of one strike were used for the purpose of taking out insurance for the benefit of the worker, so as to pay him something during the slack season, there would be something at stake which the worker would not give up for an unreasonable strike. The cost of one strike would be sufficient to buy insurance for several years. This would be insurance against strikes. The two organizations as now composed must maintain separate administrative offices; under one organization, if not half, at least a large percentage of the expense would be saved.

The Plan—Continued

The organization should be self-supporting. It should have its own industrial temple. This is made possible by having each member of the industrial organization contribute one per centum of the wages received or wages paid. All who earn their livelihood shall be members of the industrial organization through which they draw profits, wages, salary, or commission.

The question of dues should be determined by each industry and will be based upon the nature of the permanent benefits established.

Precedent and Experience

Every member of the union to be in good standing must pay weekly dues. The amount ranges from fifteen cents and up, and there are also "war" assessments. There is also usually provided "initiation" fees for the issuance of the union book. The dues are payable irrespective of the earnings. A girl earning \$7 per week must pay as much in that union as the man who earns \$30.

A member of the association in the cloak, suit, and skirt industry and a member of the association of the dress and waist industry pay annual dues amounting to \$250 at least. This is irrespective of the amount of business the manufacturer does and the number of workers in his employ.

The fund raised by the workers is not intended to be put

to the use of the contributing member. He contributes to the "cause." Should there be a strike, assessments are levied upon workers in industries not on strike, in order to help out the strikers.

The fund raised by the employers is not intended for the development of the industry. It is intended for the "cause." The cause is not to prevent strikes, but to break the backbone of the union.

Thus the funds of the opposing organizations are raised for war and not intended for peace.

Under the plan of industrial organization each contributing member would pay according to his earnings and according to his payroll on an equitable basis. Each will receive positive returns. As a business proposition the plan of industrial organization has its appeal to both.

Need of the Industrial Organization—Preparedness

As a means to develop his industry out of which he is making his livelihood, the industrial organization is recommended to the employer and employee. The industries of this country have not seen their best days. Direction, intelligent co-operation and efficient production will make for a prosperity unequaled and undreamed of under present conditions. With the Government keeping its finger upon the pulse of industry, possible only as a result of industrial organization, proper safeguards for the protection of industry can be provided upon facts and determined needs.

National Preparedness

Real national preparedness requires industrial preparedness, and unless this is undertaken upon a scientific basis, it must fail in time of stress. Mobilization of industries requires organization.

The industrial history of Germany in the past fifty years shows an ever-increasing interest on the part of the government in the industrial development. A means to that development has been the closer co-operation between the employer and the employee through systems of insurances and the elimination of casual labor. The problem of unemployment is a problem of the by-product, of neglect of government to study its industries and to assist the employer and employees through education in the development of the efficiency of each. Germany, as a result, is not only demonstrating the value of her military efficiency, but also her industrial efficiency.

The industrial history of the United States since the Civil War shows that those industries have made the greatest strides which are based upon industrial efficiency. Organization marks progress.

An unprecedented wave of prosperity reached these shores as a result of the conflict in Europe. *After the war, what?*

The high wages now obtainable in every industry, as a result of supplying the rest of the world with the things they were able to make for themselves in times of peace, will not continue after the war unless some means may be found to hold on to the markets now being sup-

plied. While profits are in sight the price of labor soars. When profits dwindle, labor's returns are reduced.

The nation needs the industrial organization to maintain the prosperity of the people. New York City needs the industrial organization to keep in the forefront as the center of the wearing-apparel industry in the United States.

To permit a declaration of "war" in the needle industry is industrial suicide on the part of the city. The strike and the lockout must be eliminated.

The industrial organization based upon the genius of our institutions will eliminate these destroyers of industry.

It behoves the leaders of thought in the industries and in the professions, in statesmanship and scholarship to give their best efforts in solving the problems that beset industries under present conditions.

COMMENTS

"In my opinion it would be preferable that all efforts to advance the industry be built upon the existing foundation of the protocol—strengthening and perfecting that institution in the light of the practical experience already gained.

I venture to suggest, therefore, that you take this matter up with leaders of the Union and of the Employers' Association."—Louis D. Brandeis.

"The suggestions in your plan of organization are in harmony with the views of many progressive thinkers. The difficulty is not in sketching a general plan, but in applying it to specific industries—in other words, in creating the machinery and influencing the human beings who must carry out the new plan.

My experience in connection with the Cloak and Suit Industry has confirmed me in the view above expressed."—Felix Adler.

"Your letter of January 31 desiring to submit the plan of industrial organization which the Society for the Study and Improvement of Industrial Organization, Inc., has worked out was received.

Let me suggest that you get in touch with Mr. Hugh Frayne, Organizer for the American Federation of Labor, No. 2 East 23d Street, New York City. Whatever you desire to communicate to Mr. Frayne will be duly reported to me."—Samuel Gompers.

"Owing to the pressure of departmental business, I am not in a position to give close attention to this proposition at this time but will look into it at the first opportunity."—W. B. Wilson.

"It is establishing a new era, which would be wonderful in results, but the first step would be to eliminate the innate selfishness that at present rules the world. Also, the result of selfishness called politics. This includes politics in the nation, state, city, employees and employers' organizations, and the endeavor of business agents of unions to usurp unnecessary authority.

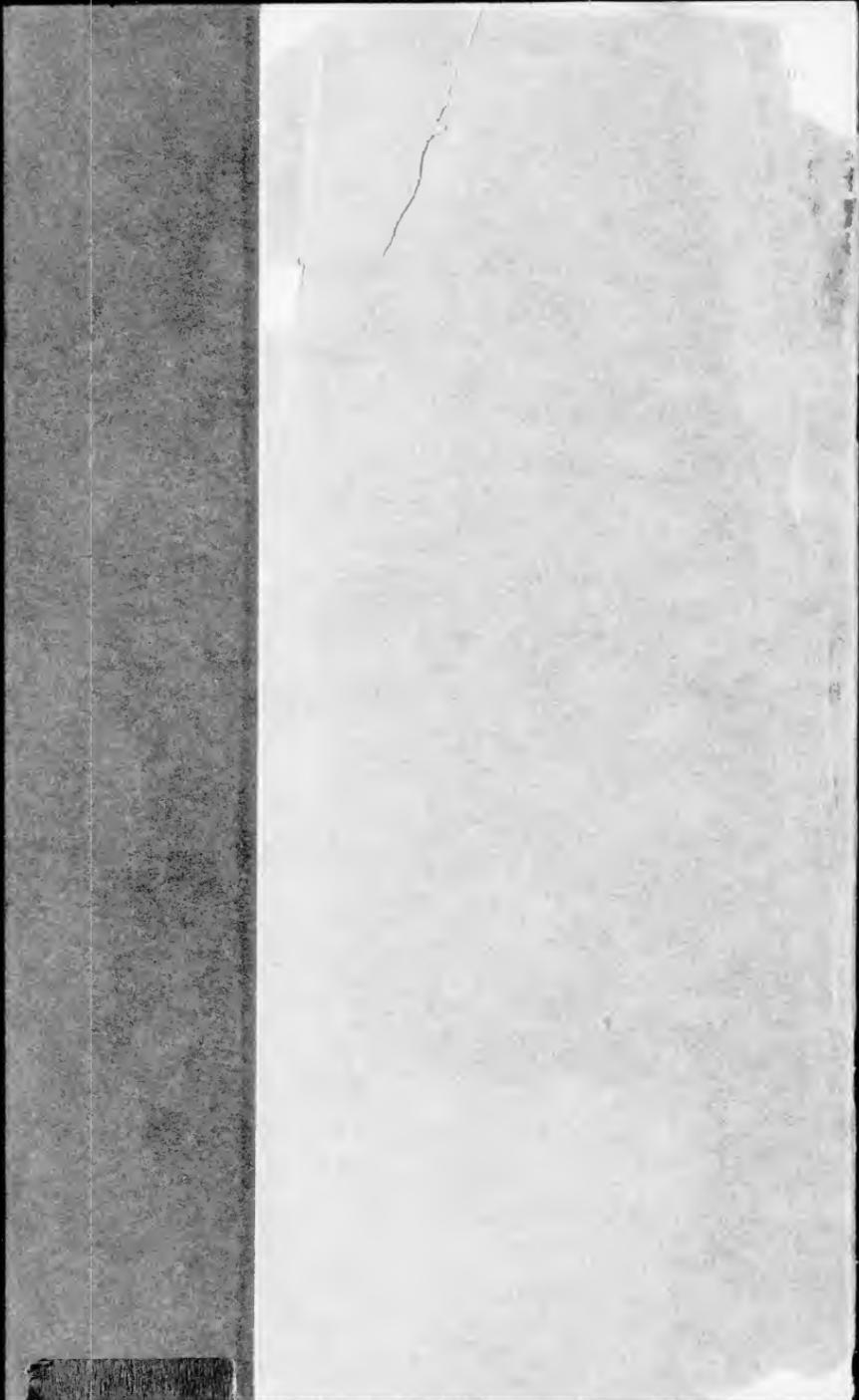
It is something that will come in the course of time, and now is as good a time as any to begin."—Charles Francis.

"I have to thank you for sending me a copy of your paper on Industrial Organization and Proposal to End Industrial Strife which I have read with very great interest."—Jacob H. Schiff.

"I received your letter, enclosing proposed plan on the subject of Industrial Organization, and thank you for bringing it to my attention.

The subject of the adjustment of differences between capital and labor is by no means a simple task, and anyone who is laboring with that end in view is entitled to the greatest credit and consideration; and without having given it sufficient attention, or being qualified to determine it, if you think that you have formulated a plan which will bring about better relations between them, you may be content with having accomplished a great deal toward promoting the industrial peace of the country."—Morgan J. O'Brien.

"The subject of industrial organization will be the live question of the day. The plan proposed has one thing in its favor—it is built up on the idea of democracy. I have been too long in the Union trenches, and I fear to express an opinion lest it be misunderstood. The Golden Rule is still but a Vision."—Bernard Nolan.



**END OF
TITLE**